



Arnold Schwarzenegger
Governor

February 22, 2010
22M:393:mem:9049

Ms. Kathryn D. Flores
County of San Benito
Community Services & Workforce Development
1111 San Felipe Road, Suite 207
Hollister, CA 95023

Dear Ms. Flores:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the County of San Benito Community Services and Workforce Development's (CSWD) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Molly Maloney from December 8, 2008 through December 12, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by CSWD with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with CSWD representatives, and service provider staff. In addition, this report includes the results of our review of selected case files, CSWD's response to Sections I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on April 13, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed finding one cited in the draft report, no further action is required and we consider the issue resolved. Because your response adequately addressed finding two cited in the draft report, no further action is required at this time. However, this issue will remain open until we verify your implementation of your stated corrective action plan during a future on-site review. Until then, this finding is assigned Corrective Action Tracking System (CATS) numbers 90124.

BACKGROUND

The CSWD was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, CSWD was allocated: \$236,165 to serve 38 adult participants; \$249,082 to serve 47 youth participants; and \$244,780 to serve 24 dislocated worker participants.

For the quarter ending September 2008, CSWD reported the following expenditures for its WIA programs: \$40,992 for adult participants; \$115,987 for youth participants; and \$61,115 for dislocated worker participants. In addition, CSWD reported the following enrollments: 39 adult participants; 55 youth participants; and 28 dislocated worker participants. We reviewed case files for 30 of the 74 participants enrolled in the WIA program as of December 8, 2008.

PROGRAM REVIEW RESULTS

While we concluded that, overall, CSWD is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: work permits and certificates. The findings that we identified in these areas, our recommendations, and CSWD's proposed resolution of the findings are specified below.

FINDING 1

- Requirement:** California Labor Code Section 1299 states, in part, every person, or agent or officer thereof, employing minors, either directly or indirectly through third persons, shall keep on file all permits and certificates, either to work or to employ.
- Observation:** Two in-school youth case files had work permit gaps. Specifically, one youth participant had a work permit expire June 5, 2008 and obtained a new work permit effective November 24, 2008. However, the participant was working between June 5 and

November 24. The other youth participant had a work permit expire August 19, 2007, but continued to work until August 15, 2008 when the participant went back to high school.

Recommendation: We recommended that CSWD provide Compliance Review Office (CRO) with a corrective action plan (CAP) stating how it will ensure that, in the future, valid work permits are kept on file for all in-school youth under 18 years old who are placed in employment activity for the entire duration of the employment activity.

CSWD Response: The CSWD stated that they will ensure that valid work permits are kept on file for all in-school youth under the age of 18 who are placed in employment for the duration of their employment placement. A CSWD supervisor will verify that all youth under the age of 18 who are employed has a valid work permit on file. Additionally, CSWD created a monitoring tool to log all of the participants under age 18 and the expiration dates of their work permits. CSWD provided a template of this monitoring log. All active files will be reviewed at the beginning of the program and at least twice a year. The Employment Counselor will monitor this tool and the supervisor will sign-off anytime there are changes. In addition, this item will be an ongoing item during staff meetings.

State Conclusion: We consider this finding resolved.

FINDING 2

Requirement: WIA Section 185(c)(2) states, in part, that each Local Board and each recipient receiving funds shall maintain comparable management information systems, designed to facilitate the uniform compilation and analysis of programmatic and financial data necessary for monitoring and evaluating purposes.

In addition, WIA 185 Section(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

The Department of Labor, Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that the focus of the certificate measure is attainment of measurable technical or

occupational skills, rather than work readiness skills. Additionally, work readiness certificates will not be accepted as the attainment of a degree or certificate.

WIAD04-17 states, in part, that all recipients of WIA funds will submit client data via the JTA system, complying with the specifications for each data field. Additionally, this directive defines the exit code for attaining a recognized certificate/diploma/degree as the client obtaining a nationally recognized degree or certificate or a state/locally recognized credential.

Observation: We found 6 of 30 participant case files showed the participants were exited from WIA with certificates attained from a 5-day Gavilan College workshop. The agenda for the workshop shows that it is a work readiness program instead of a degree or occupational skills program.

Recommendation: We recommended that CSWD review all reported outcomes for attaining a certificate and back out those outcomes inappropriately reported to the State and send CRO documentation of its actions. In addition, we requested that CSWD provide CRO with a CAP, including a timeline, describing how it will ensure that, in the future, only degrees or certificates attained for technical or occupational skills will be reported to the State.

CSWD Response: The CSWD stated that they reviewed all reported outcomes for all participants attaining a certificate and completed the process of reversing outcomes inappropriately reported to the state. Additionally, they will review and verify, in the future, that only degrees or certificates attained for technical or occupational skills will be reported to the state. The CSWD provided documentation demonstrating they completed this process on November 25, 2009.

State Conclusion: The CSWD's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, CSWD's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90124.

February 22, 2010

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is CSWD's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, federal and state regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain CSWD's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mechelle Hayes at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Terri Austin, MIC 50
Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50, or
Daniel Patterson, MIC 45